

In re Wells Fargo & Company Securities Litigation

COURT: U.S. District Court for the Southern District of New York
CASE NUMBER: 1:20-CV-04494 (GHW)
CLASS PERIOD: 02/02/2018 - 03/10/2020
CASE CONTACTS: Jonathan D. Uslaner, Lauren M. Cruz, Will Horowitz

This is a securities fraud class action filed on behalf of all purchasers of Wells Fargo & Company (“Wells Fargo” or the “Company”) common stock from February 2, 2018 to March 10, 2020, inclusive (the “Class Period”), alleging claims pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against Wells Fargo and certain of its executive officers. On August 29, 2020, the Honorable Gregory H. Woods appointed Handelsbanken Fonder AB and the Louisiana Sheriffs’ Pension & Relief Fund as co-Lead Plaintiff and BLB&G as co-Lead Counsel for the Class.

Background

In 2016 and 2017, Wells Fargo engaged in high-profile scandals that involved Company employees opening scores of unauthorized deposit and credit accounts in customers’ names as well as other severe customer abuses. Following these revelations, the Federal Reserve, Consumer Financial Protection Bureau, and Office of the Comptroller of the Currency entered into consent orders with Wells Fargo in early 2018 to ensure the Company ameliorated its oversight and governance failures. Throughout the Class Period, in an effort to convince the market and investors that its revamped corporate infrastructure was essentially fraud-proof and in compliance with the Consent Orders, Wells Fargo disseminated dozens of public statements in its Securities and Exchange Commission filings, earnings calls, and presentations, touting the progress and the effectiveness of its reforms.

In reality, however—and unbeknownst to the investing public—Wells Fargo was far from complying with the regulators’ Consent Orders, including repeatedly submitting insufficiently developed and inadequate remediation plans, struggling to meet deadlines, and failing to implement meaningful reforms.

On March 4, 2020, the U.S. House of Representatives Financial Services Committee issued a report revealing Wells Fargo “fell woefully” short of implementing meaningful corporate reforms, and that its risk and compliance policies remained dangerously inadequate to prevent another consumer fraud from occurring. Then, on March 10, 2020, the U.S. House Financial Services Committee requested that the U.S. Department of Justice investigate Wells Fargo’s former CEO for providing false statements in public testimony concerning Wells Fargo’s compliance with the Consent Orders.

Lead Plaintiffs filed their amended complaint on November 9, 2020. Defendants’ motion to dismiss is due January 22, 2021. Lead Plaintiffs’ opposition is due March 8, 2021. Defendants’ reply is due April 2, 2021.